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6 UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

7 UNITED STATES OF AMERICA, )

8 Plaintiff, )

9 vs. )

10 JESUS PALOMARES and TERESA )  
11 PALOMARES aka TERESA )  
12 GARCIA dePALOMARES, )  
13 HUSBAND and WIFE; )  
14 EMPLOYMENT SECURITY )  
15 DEPARTMENT FOR THE STATE )  
16 OF WASHINGTON; )  
WASHINGTON STATE )  
DEPARTMENT OF LABOR AND )  
INDUSTRIES; JOYCE A. FREELS )  
dba FREELS ORCHARD, INC., )

17 Defendants. )

NO. CV-06-73-EFS

JUDGMENT AND DECREE  
OF FORECLOSURE

18 Plaintiff's Application for Judgment and Decree of Foreclosure upon Order  
19 of Default having come on for consideration; the defendants JESUS  
20 PALOMARES and TERESA PALOMARES aka TERESA GARCIA  
21 dePALOMARES, HUSBAND and WIFE; EMPLOYMENT SECURITY  
22 DEPARTMENT FOR THE STATE OF WASHINGTON; WASHINGTON  
23 STATE DEPARTMENT OF LABOR AND INDUSTRIES; JOYCE A. FREELS  
24 dba FREELS ORCHARD, INC., being in default and their default having been  
25 entered; and the Court being fully advised in the premises,

26 IT IS ORDERED, ADJUDGED, and DECREED as follows:

27 I.

1 Plaintiff is awarded judgment against defendants JESUS PALOMARES  
2 and TERESA PALOMARES aka TERESA GARCIA dePALOMARES,  
3 HUSBAND and WIFE in the amount of \$409,342.21 (\$272,835.21 principal and  
4 \$136,507.00 interest accrued through April 22, 2004); plus interest to accrue at  
5 the rate of \$49.2574 per day from and after April 22, 2004, to the date of  
6 judgment; plus interest from the date of judgment at the legal rate until paid in  
7 full, plus the costs of suit, including the filing fee allowed pursuant to 28 USC  
8 § 2412(a)(2).

9 II.

10 The debt upon which this judgment is based is secured and perfected by  
11 the following:

12 (1) A real estate mortgage recorded December 29, 1993, under  
13 Auditor's File No. 811335, Official Records of Okanogan County, Washington.

14 (2) A real estate mortgage recorded May 9, 1994, under Auditor's File  
15 No. 815880, Official Records of Okanogan County, Washington.

16 (3) A real estate mortgage recorded May 3, 1995, under Auditor's File  
17 No. 828027, Official Records of Okanogan County, Washington.

18 (4) Security agreement covering sprinkler equipment appurtenant to the  
19 real property located in the State of Washington.

20 III.

21 The foregoing real estate mortgages and security agreement cover the  
22 following described property situated in OKANOGAN County, State of  
23 Washington:

24 REAL PROPERTY

25 PARCEL A: Lots 1 and 2 of the Mike McDaniel Short  
26 Plat as recorded in Book A-1 of Short Plats, page 182,  
27 under Auditor's file No. 774773, records of Okanogan  
County, Washington.

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3 PARCEL B: All of Tract 15, Orchard View Addition  
4 to Tonasket, Washington, according to plat thereof  
5 recorded in Volume D of Plats, page 28, records of  
6 Okanogan County, Washington, EXCEPT that portion  
7 described as follows: Beginning at the southernmost  
8 corner of said Tract 15, and running thence  
9 northwesterly along the southwesterly boundary line  
10 of said Tract 15, a distance of 58 feet; thence turning  
11 an angle of 90 deg. to the right and running a distance  
12 of 150 feet; thence turning an angle of 90 deg. to the  
13 right and running a distance of 58 feet to the  
14 easternmost corner of said Tract 15; thence turning an  
15 angle of 90 deg. to the right and running 150 feet  
16 along the southeasterly boundary line of said Tract 15  
17 to the point of beginning.

#### 11 FIXTURES

12 Complete sprinkler systems w/pumps, mains, sub-mains, risers, sprinklers,  
13 plugs, valves and fittings, including any replacement and/or additions thereto.

#### 14 IV.

15 The Interests of all Defendants are inferior to the interest of the Plaintiff.

#### 16 V.

17 Said real estate mortgages and security agreement, which constitute first  
18 and prior liens upon the property described therein, are hereby foreclosed and  
19 defendants JESUS PALOMARES and TERESA PALOMARES aka TERESA  
20 GARCIA dePALOMARES, HUSBAND and WIFE, both individually and the  
21 community composed of them, and all persons claiming by, through or under  
22 them are forever barred and foreclosed from asserting any right, title, or interest  
23 in and to said property, except for the statutory rights of redemption allowed by  
24 the laws of the State of Washington, and said property is hereby ordered sold in  
25 the manner provided by law with the proceeds of such sale to be applied to the  
26 expenses thereof, and then in satisfaction of the sums adjudged to be due plaintiff  
27 herein.

VI.

Any party to this suit may become a purchaser at such sale.

VII.

The plaintiff shall not have a deficiency judgment in the event the sum received from the sale is insufficient to pay the judgment in full.

DATED this 30<sup>th</sup> day of July, 2007.

S/ Edward F. Shea

EDWARD F. SHEA  
United States District Judge

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CERTIFICATE OF SERVICE